DEPARTMENT OF STATE

AIRGRAM

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FROM : Amembassy TRIPOLI

SUBJECT: Post-AID Technical Assistance to Libya

REF :

DEPARTMENT OF STATE A/CDC/MR
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PORTIONS DENIED AS INDICATED

A major objective of this Mission since shortly after the end of the Arab-Israeli War in June 1967 has been to place American technicians and advisers in the Libyan Government. The decision was made to terminate the AID program to Libya in 1963 and in that year a general phase-out of the program began. The remaining AID technicians (who were then being paid for by the Libyan Government) left at the time of the general evacuation in June 1967. After that, and until recently, there were no American advisers to the Libyan Government except for one UN employee.

UNITED STATES INTERESTS

Few governments are so in need of advice and assistance from foreign technicians as is the Government of Libya. It now has a relatively vast income and has embarked on an ambitious and extensive development program. But it lacks manpower and particularly technically trained manpower in almost every sector of its activities. For example, it is estimated there will be 1800 Libyan university graduates available by the end of 1969. The demand for graduates at the present time is 8,500 (5,500 by the government and 3,000 by the private sector). By 1969 secondary school graduates will total 4,400 but the demand for them is estimated at 19,500 by both sectors.

This Mission considers that it is desirable and important to place in the Libyan Government high-level advisers and technicians for the following reasons:

1) Orderly government is one of the essentials for stability. In many respects public administration in Libya is chaotic. The usual pattern in most Ministries is to have two or three able people at the

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top and then almost nothing below. We believe that able advice and assistance from qualified Americans can help to rectify this situation and in that measure contribute to the order and stability of the country.

2) Many expatriate technicians now employed by the Libyan Government have of necessity been recruited from among radical Arabs (particularly Egyptians and Palestinians) and from the socialist countries of Eastern Europe. The French, who have at least divergent if not inimicable interests to those of the United States in some sectors, have also been quite successful in placing advisers in the Libyan Government, particularly in the important and sensitive Ministry of Petroleum Affairs. We believe that if we are able to place a substantial number of American advisers in the Libyan Government, they will bring a degree of moderation to the government to counteract the extremist advice and influence of some of the present advisers.

3) The commercial advantage to the United States of having advisers in Ministries which are responsible for carrying out development projects can hardly be over-emphasized. An example of this is the recent awarding of contracts for building and equipping a television system here. The Ministry of Information had on its staff an engineer seconded from the British Broadcasting Corporation. The specifications for the television project favored British bidders and indeed the final contract was awarded to a British firm. There has been a tendency in American Government thinking to divorce technical assistance and commercial activities. Under present balance of payments circumstances, this Embassy does not believe we can any longer afford that luxury.

DIFFICULTIES IN PLACING AMERICANS

We have encountered two serious obstacles in recruiting private and semi-official people to work for the Libyan Government. The first is the pay scale for technicians in Libya. The Libyan Government recently requested us to help recruit two Americans to manage the sport cities in Tripoli and Benghazi. Basic pay offered was 2,400 Libyan pounds ($6,720), plus a 35% housing allowance and assistance in purchasing furniture. We have had to inform the Libyans that there is no possibility of securing men with the qualifications they demand at this salary. The Libyans have told us on many occasions that they find it difficult to pay American technicians at higher rates than technicians from Italy or Yugoslavia, for example, without creating serious morale problems. We have therefore searched for ways in which this problem could be met. One method which has been suggested to the Libyans has been contracts with universities or other organizations which would be paid an agreed fee for a given project and would then pay the technicians directly. There has been a good deal of resistance to this among Libyan officials, but there have been recent indications that some of them are coming around to this type of arrangement.

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The second difficulty has been the inability of the Libyan Government to provide sufficient qualified Libyan counterpart personnel. We have emphasized to them on numerous occasions that foreign technical assistance will only be beneficial to Libya in the long run if the foreign technicians can leave behind when they leave Libyans who have been qualified through training in their speciality. Most Libyan officials recognize this difficulty and do their best to find qualified people to work with foreign technicians. For a long time, however, it appears that it will be necessary for many foreign technicians to be operators rather than trainers.

EFFORTS SUMMARIZED

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Our first major attempt to begin an orderly program of placing American technicians with the Libyan Government took place shortly after the present Prime Minister, 'Abd al-Hamiid al-Bakkuush, took office and showed himself receptive to the idea. The Embassy compiled a memorandum for him on sources of United States technical assistance. This memorandum was transmitted to the Department by Tripoli's A-178 of December 11, 1967. We have evidence that the memorandum was widely disseminated within the government. Since that time, we have had numerous requests for help in recruitment of American technicians. The volume of these requests is one measure of the extent to which Libyan-American relations have been re-established after the near rupture of last June. Many of these requests have been impractical, like the one for managers of the sports cities, and we have had to be somewhat negative on them. But the program which we began last November is already showing encouraging signs of success. There follows a summary of where the program stands at the present moment.

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The Ministry of Industry - Our greatest success so far has been in facilitating negotiation of a contract between the International Executive Service Corporation and the Ministry of Industry. Some indication of how this contract was negotiated was given in A-224 of January 26, 1968. The contract provides for the provision over a two-year period of 24 retired executives for periods ranging from six months to two years. The executives are of various specialities, including production control, quality control and food processing, among others. The first executives arrived in May 1968, and at the present time there are 14 of them actively engaged in various projects. The program so far is a success beyond our best expectations. The Minister of Industry has been so pleased with these American advisers that he has praised them widely among his Ministerial colleagues. As a result, we have had requests for similar IESC advisers from several other departments. In the active discussion stage at the present time is the provision of executives for the Industrial Bank, Ministry of Information and the Auditor General's Office.

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The Ministry of Petroleum Affairs - This Ministry uses an unusually large portion of foreign advisers and technicians. Up to the present time there have been no Americans; and yet almost 90% of the oil industry here is controlled by American companies. We have been able recently to stimulate a request by the Ministry for American advisers (see A-303 of March 15, 1968). The Department is now attempting to recruit high level advisers through the American Petroleum Institute and the major oil companies represented in Libya. Recent information from Washington indicates that this effort may soon produce positive results. The French have been successful in placing a number of technical experts in the most sensitive part of the Ministry. We believe it to be in our national interest to get American advisers there as quickly as possible.

The University of Libya - We have been asked for urgent assistance in recruiting American professors for the University of Libya. The Embassy was instrumental in bringing the Executive Director of the Near East Foundation to Libya to talk about this project. The University signed an agreement with the NEF to act as one of its recruiting agencies. A recent letter indicates that the NEF has succeeded in recruiting five professors for the Faculty of Agriculture with two more probable. The Foundation is "topping off" the salaries of some of them, at least for the first year. In addition, the President of the University of Libya and two of his deans will shortly visit the United States on a recruiting trip. They will make their initial contacts with the Department of State.

The Ministry of Education - Perhaps the most dramatic indication of improvement of U.S.-Libyan relations since the June war was the request made to the Peace Corps to supply 300 English teachers for the Libyan schools for the term beginning in October 1968. Both the Prime Minister and the Minister of Education have indicated to American officials on several occasions the extreme importance which they place on the program of English teaching. It is the policy of the present government to make English the primary language of instruction in Libyan secondary schools in all subjects except Libyan history, religion, and Arabic literature, within five years. Their reason for this is to go to the original source of ideas [redacted] B-1 ED Although the Peace Corps was not able to meet the Libyan request in its entirety, we expect to have about 180 volunteers in the Libyan schools later this year.

Ground Water Development - During the days of the AID program, one of the major projects in which we engaged was ground water development. One of the technicians who worked on this project during the AID days was Mr. James R. Jones of the U.S. Geological Survey. In view of his expertise, the Government of Libya recently requested and obtained his services on a temporary basis to study and evaluate the specifications drawn up by a team

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of French experts for a survey of water resources in Libya. In preparation for the Prime Minister's visit to the United States in September 1968, we have begun negotiation of an agreement which he will sign. Although the Libyan Government had rather grandiose ideas at first of what this agreement should contain, we have been able to simplify it and refine it into an agreement for cooperation between the two countries in the field of water development, including research, mapping, desalting, well drilling, water conservation and utilization. The Minister of Planning hopes that this project will eventually become part of a future Agricultural Research Institute which will be largely staffed by Americans during the first five to ten years. This could possibly be accomplished by a contract with an American University or Foundation.

The Ministry of Health - Earlier this year the Ministry of Health requested our aid in recruiting a large number of American medical and para-medical personnel to staff the Ministry and Libyan hospitals. In response to our request, the Department managed to put together a team from the U.S. Public Health Service, the University of California, and the Kaiser Foundation to come to Libya and study the problem. The team spent a week here and then submitted a report to the Libyan Government recommending that the entire staff of one hospital be taken over by the Kaiser Foundation. Unfortunately, shortly after the report was submitted the Kaiser Foundation was placed on the Arab-Israeli boycott list. We have heard nothing further on it from the Ministry of Health, but we have hopes that the project can be reactivated, perhaps in a slightly different form at some future time.

The Department of Roads - The Libyan Government is now engaged in a large road building program. The most important part of it is a coastal road stretching from the Tunisian border to the Egyptian border. Looking into the future it was realized that this program will leave Libya an enormous road maintenance problem which at the present time it is unequipped to meet. At the request of the Minister of Communications, the Bureau of Public Roads, Department of Transportation, sent an engineer to Libya for a two week period to study the problem. He has now submitted a report to the Minister of Communications recommending a reorganization of the Department of Roads and indicating that the Bureau of Public Roads is ready to help recruit some of the technicians needed for the reorganization. The report is now under study and we hope it will result in American technicians in that Ministry.

Housing - The government recently initiated a program to help the Libyan employees of American oil companies to be able to purchase their own homes on acceptable financial terms. This will eventually be expanded into a much wider program for Libyan home ownership. At the instruction of the Department of State, we recently presented a memorandum to the Prime Minister offering assistance in recruiting United States experts in the fields of mortgage guarantees, legislation and financing.

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Aviation - The Kingdom of Libya Airline operates an international service utilizing French-built Caravelle jet aircraft. This service is operated by Air France under a management contract with KLA. The Minister of Communications recently indicated to the Ambassador that he was not satisfied with the Air France contract and wanted to change it. The Embassy was instrumental in putting the Ministry in touch with TWA officials, and preliminary discussions are now taking place.

United Nations - The Embassy maintains close liaison with the United Nations Mission in Libya and is constantly alert for information on technicians requested by the Government of Libya through the United Nations. On appropriate occasions we transmit information on these requests to the Department with the recommendation an attempt be made to recruit Americans for these UN positions. So far one adviser has been supplied to the Ministry of Planning through our recommendation and several others are being sought. In this connection, the International Monetary Fund and the International Bank of Reconstruction and Development are being asked to help recruit an American to replace the retiring Economic Adviser, who is British, to the Prime Minister. This is an important, sensitive position and we hope that our efforts will meet with success.

Television - The Ministry of Information expects to begin its television broadcasts in December 1968. In preparation for this the Embassy and USIS were able to arrange a training course for Libyan technicians at the AFRTS television station at Wheelus Air Base.

Military Technical Assistance - Our MAP program, which was inaugurated in 1957, continues although grant assistance and equipment is now being phased out; grant aid in training will continue. The Libyan Air Force is now being expanded by the addition of 10 F-5 fighter aircraft purchased from the United States. The first five aircraft have already been delivered and Libyan air crews have been trained in the United States. A team from USAF are now in Libya to assist in setting up the training and maintenance programs. The commercial value to the United States of the expansion is approximately $40 million.

OTHER

Our efforts to expand this program of post-AID technical assistance to the Libyan Government will continue in as many fields as seem profitable and as opportunities present themselves. We have recently been instrumental in putting the Libyan Government in touch with the Ford Foundation through a recent "private" visit to Libya of J. Wayne Fredericks, Director of the Foundation's Middle East and African programs. We continue to encourage the oil companies operating here to assist the Libyan Government in fields

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not strictly connected with their primary interests. As an example of this type of cooperation, Esso is financing two professors at the University of Libya, and the Occidental Oil Company is engaged in an agricultural project in the Kufra Oasis.

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